



# APPROPRIATIONS UPDATE

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## FISCAL YEAR 2002 EMERGENCY SUPPLEMENTAL APPROPRIATIONS

### SUMMARY

On 21 March, the President sent Congress a request for emergency fiscal year 2002 appropriations. The request has not yet been introduced as legislation, but the Congressional Budget Office has estimated its cost. As shown on Table 1 below, the President requests a net increase of \$27.1 billion in fiscal year 2002 budget authority [BA]. Outlays flowing from these appropriations are expected to total \$8.1 billion in fiscal year 2002 and \$9.9 billion in fiscal year 2003.

The President designates the requested \$27.1 billion as “emergency” funding requirements. Of that amount, \$2.7 billion of Transportation and Labor appropriations are “contingent” emergency appropriations, meaning they are available for obligation only if the President certifies, after enactment, that the funds are necessary to respond to an emergency situation.

The President also proposes \$237 million in nonemergency requests, which are offset by \$251 million in proposed rescissions.

There are no limitations on the amount or type of spending that can be designated an emergency requirement, and there is no statutory definition of an emergency. Under the Budget Act and the Deficit Control Act, the emergency designation occurs if both the President and the Congress agree to apply it. Nevertheless, there has been an understanding that emergencies are: 1) sudden, urgent, unforeseen, and temporary; *and* 2) events posing a threat to life, property, or national security. When applied, the emergency designation triggers an equivalent increase in the appropriate levels of the budget resolution and the statutory spending caps.

If enacted, the request will raise the current level of fiscal year 2002 discretionary BA from \$706.0 billion to \$733.1 billion. It will increase outlays from \$723.2 billion to \$731.2 billion. Of these amounts, \$47.1 billion in BA and \$29.5 billion in outlays are due to additional terrorism-related funding (\$20 billion in a supplemental to the fiscal year 2002 defense appropriations, and this proposal).

**Table 1: President's Request for Emergency Supplemental Appropriations**  
(by fiscal year in millions of dollars)

Agency	2002 Budget Authority	2002 Outlays	2003 Outlays
Defense	14,022	5,340	5,767
FEMA	3,077	23	686
HUD	730	7	123
International Assistance Programs	1,009	284	350
Labor	750	0	450
State	436	47	100
Transportation	6,645	2,027	2,311
Other	460	340	134
<b>Total</b>	<b>27,129</b>	<b>8,068</b>	<b>9,921</b>

The administration divides the request into the following categories: defense, homeland security, international, national emergency grants, assistance to New York, other

nonemergencies, and offsets. Table 2, which appears on the reverse side, displays the President's spending request according to these activities.

Defense funding totals \$14.0 billion in BA for fiscal year 2002. This includes \$6.7 billion for military operations; \$4.1 billion to pay reserve and National Guard personnel; \$1.4 billion for command, control, and intelligence support; \$500 million for precision munitions and other weapons; \$400 million for coalition support; and \$900 million for other programs. The \$14.0 billion does not come out of the Defense Reserve Fund in the House-passed budget resolution, which would take effect in fiscal year 2003.

Homeland security funding totals \$5.3 billion, and includes the Federal Emergency Management Agency's [FEMA] State and local grants and the security of the Nation's transportation system. The largest item in this category is spending for the Transportation Security Administration, which receives \$4.4 billion in BA that is available until expended. Of that amount, \$1.9 billion is available only upon its subsequent release by the President.

International programs receive \$1.6 billion to deter and prevent international terrorism, provide military equipment,

training, and economic assistance to allies of the United States, and to construct and open missions in Afghanistan and Tajikistan.

Funding for National Emergency Grants consists of \$750 million to provide employment, training, and related assistance to dislocated workers. It is available upon certification by the President that the funds are needed to respond to an emergency.

The New York City assistance totals \$5.5 billion: \$2.8 billion for FEMA disaster relief efforts, and \$2.7 billion for transit and utility infrastructure in lower Manhattan. Those appropriations are available until expended.

Nonemergency funding totals \$237 million. This amount includes nutrition programs, veterans medical care, and 100 new enforcement positions at the Securities and Exchange Commission [SEC]. The cost of these programs is offset by reductions of \$251 million, most of which occurs in multilateral assistance.

**Table 2: President's Request for Emergency Supplemental Appropriations by Activity**  
(by fiscal year, in millions of dollars)

Category	Agency	2002 BA	2002 Outlays	2003 Outlays
Defense	Defense	14,022	5,340	5,767
Homeland Security	FEMA	327	23	136
	Postal Service	87	87	0
	Transportation	4,678	2,007	2,251
	Other	203	86	89
International	International Assistance	1,166	284	350
	State	436	47	100
	Broadcasting	7	0	6
National Emergency Grants	Labor	750	0	450
New York City	FEMA	2,750	0	550
	HUD	750	8	127
	Transportation	1,967	20	60
Other Nonemergency	Agriculture	75	53	22
	SEC	20	5	15
	Veterans	142	107	34
	Other	0	3	-3
Offsets	HHS	-50	0	-23
	HUD	-20	-1	-4
	International Assistance	-157	0	0
	Other	-24	-1	-6
<b>Total</b>		<b>27,129</b>	<b>8,068</b>	<b>9,921</b>

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